



CAL JUMBO LOAN PROGRAM

I. PROGRAM SUMMARY

PROGRAM DESCRIPTION	<p>There is a significant disparity between family income and California home prices. CalHFA, Countrywide Home Loans, Inc. (Countrywide), and National Homebuyer's Fund (NHF) have identified the need to develop a plan to make homeownership more attainable in hard-to-serve counties throughout California. Hard-to-serve is synonymous with high cost and/or high demand for the majority of the workforce. The Cal Jumbo Loan Program provides non-conforming finance affordability and homeownership opportunities to borrowers.</p> <p>Countrywide provides the first loan. NHF provides the second loan. (www.nhfloan.org)</p> <p>A first loan and second loan combination can not exceed 105% CLTV. (Please see "Second Loan Terms and Use of Proceeds" section below)</p> <p>The minimum 1st loan amount must be above the conforming limit, which is currently at \$322,700. The maximum loan limits are the lesser of the County Median Sales Price for New Construction and Existing Homes (Please see Exhibit A.) or the loan limits listed below:</p> <p>New Construction:</p> <ul style="list-style-type: none">• Up to \$400,000 on loans 97.01 - 100% LTV• Up to \$550,000 on loans up to 97% LTV <p>Existing Homes:</p> <ul style="list-style-type: none">• Up to \$450,000 on loans up to 97% LTV• Up to \$500,000 on loans up to 97% LTV in Marin, San Francisco and San Mateo counties. <p>(Please see Exhibit A.)</p> <p>The participating lender draws and funds both the first and second loans. After loan closing, Countrywide purchases and services both loans.</p>
Second Loan Terms and Use of Proceeds	<p>A Cal Jumbo Second Loan offered with a 97% LTV First Loan may not exceed 8% of the sales price. For 100% LTV First Loans, the maximum Second Loan amount is 5% of the sales price. The maximum Combined Loan To Value may not exceed 105%. CalHFA mortgage insurance is not being provided on the Second Loan.</p> <p>For the counties of Alameda, Marin, San Francisco, San Mateo, Santa Clara (New Construction only), and Santa Cruz, a 25-year FLEX Second Loan is offered. Payments of principal and interest are not required for the first 5 years, after which the Second Loan will amortize for the remaining</p>

	<p>20-years. For all other eligible counties listed in Exhibit A, and for all existing home purchases, the Second Loan will feature a 20-year term for which principal and interest payments are due monthly.</p> <p>Second Loan proceeds must be used to finance, in order of priority, (i) the up-front mortgage insurance premium, if any, as defined below, and (ii) up to 100% of the homebuyer's cash to close, subject to the minimum homebuyer's contribution as defined herein.</p> <p>Second Loan proceeds may not be used for any other purpose other than the homebuyer's cash to close and must not result in any cash back to the homebuyer from the Second Loan proceeds. Any remaining Second Loan proceeds must be used to reduce the Second Loan principal balance.</p>
TARGET MARKETS	This program is intended for high-cost counties of California. (Please see Exhibit A.)
PARTICIPATING LENDERS	<p>Countrywide's correspondent lenders.</p> <p>Lenders must be approved by NHF, Countrywide and CalHFA Mortgage Insurance Services.</p>
BORROWER ELIGIBILITY	<p>Borrowers must meet all of the following requirements:</p> <ul style="list-style-type: none"> • Be a U.S. citizen or permanent resident alien • Not own any other property at the close of escrow • Occupy the property as their primary residence; non-occupant co-borrowers are not allowed
PROPERTY ELIGIBILITY	<p>One unit, single family, owner-occupied, principal residences that are detached structures, PUDs or condominiums. Condominium production can not exceed 25% of funding.</p> <p>Homes may <u>not</u> be used for investment purposes, as rental property or as second or vacation homes.</p>
DOWN PAYMENT REQUIREMENTS	0%
BORROWER MINIMUM CONTRIBUTION	The borrower must contribute 1% of the sales price, from the homebuyer's own resources.
OTHER SOURCES OF ASSISTANCE	Other eligible sources of down payment assistance include gifts from family, 401(k) loans, a grant, or seller concessions (subject to Countrywide and CalHFA guidelines). Seller-provided grants are not permitted.
TRANSACTION TYPE	Purchase transactions only.
MAXIMUM SALES PRICE	<p>Set according to each eligible county.</p> <p>Please see Exhibit A</p>
MAXIMUM LOAN AMOUNT	<p>New Construction:</p> <ul style="list-style-type: none"> • Up to \$400,000 on loans 97.01 - 100% LTV • Up to \$550,000 on loans up to 97% LTV <p>Existing Homes:</p> <ul style="list-style-type: none"> • Up to \$450,000 on loans up to 97% LTV • Up to \$500,000 on loans up to 97% LTV in Marin, San Francisco and San Mateo counties. <p>Please see Exhibit A</p>

INCOME LIMITS	Set according to each eligible county. (Please see Exhibit A)
MORTGAGE INSURANCE PREMIUMS	CalHFA provides 50% coverage on first loans and offers 2 premium options (all pricing is based on the 1 st loan amount): <ol style="list-style-type: none"> 1. <u>A One Time Initial Single refundable premium priced at:</u> 495 basis points for loans 97.01 – 100% LTV. 480 basis points for loans up to 97% LTV. Or 2. <u>A Zero Upfront Monthly Mortgage Insurance premium priced at:</u> 102 basis points for loans 97.01 – 100% LTV. 99 basis points for loans up to 97% LTV.
SELLER CONTRIBUTIONS	Seller contributions are acceptable, up to 3% of the sales price; must be used for non-recurring closing costs only.
BUYDOWNS	No temporary buydowns.
MAXIMUM AVAILABILITY	This is a pilot program. The initial fund availability is as follows: \$50 million for first loans \$3 million for second loans (with a potential of an additional \$1 million available)

II. UNDERWRITING CRITERIA

RATIOS	45%
MINIMUM FICO SCORE	660 or greater for loans up to 97% LTV. 680 or greater for loans 97.01 – 100% LTV.
CASH RESERVES	One month PITI reserves required, as stated in program guidelines. Gift Funds are acceptable if repayment is not required and documented. 401K and other “liquid” retirement funds are also acceptable.
HOMEBUYER ED. REQUIREMENT	Only required for those borrowers that are first-time homebuyers.
SUBORDINATE FINANCING/ SECOND LOAN	Lender will fund the 8% second loan; Countrywide will purchase it post closing.

IMPORTANT DISCLOSURE INFORMATION:

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should also be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only, and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.

Exhibit A
Income Limits and First Loan Limits¹:
The Lesser of Sales Price Limits or Loan Limits

New Construction

Income Limit	Counties	Sales Price Limit	100% LTV Maximum Loan Amount²	97% LTV Maximum Loan Amount²
\$122,560	Alameda	\$538,750	\$400,000	\$522,875
\$107,240	Contra Costa	\$401,500	\$400,000	\$389,455
\$ 88,160	Los Angeles	\$335,500	\$335,500	\$325,435
\$108,480	Napa	\$406,500	\$400,000	\$394,305
\$146,400	Marin	\$708,250	\$400,000	\$550,000
\$ 88,960	Monterey	\$393,500	\$393,500	\$381,695
\$120,960	Orange	\$494,500	\$400,000	\$479,665
\$107,360	San Benito	\$445,750	\$400,000	\$432,377
\$ 96,160	San Diego	\$405,000	\$400,000	\$392,850
\$146,400	San Francisco	\$575,000	\$400,000	\$550,000
\$146,400	San Mateo	\$650,000	\$400,000	\$550,000
\$147,700	Santa Clara	\$555,000	\$400,000	\$538,350
\$119,360	Santa Cruz	\$525,000	\$400,000	\$509,250
\$100,100	Sonoma	\$365,000	\$365,000	\$354,050
\$119,520	Ventura	\$433,250	\$400,000	\$420,252

Existing Homes

Income Limit	Counties	Sales Price Limit	100% LTV Maximum Loan Amount²	97% LTV Maximum Loan Amount²
\$107,240	Alameda	\$375,000	n/a	\$363,750
\$128,100	Marin	\$563,000	n/a	\$500,000
\$ 77,840	Monterey	\$335,000	n/a	\$324,950
\$ 94,920	Napa	\$345,000	n/a	\$334,650
\$105,840	Orange	\$430,000	n/a	\$417,100
\$ 93,940	San Benito	\$345,000	n/a	\$334,650
\$128,100	San Francisco	\$540,000	n/a	\$500,000
\$128,100	San Mateo	\$520,000	n/a	\$500,000
\$104,440	Santa Cruz	\$450,000	n/a	\$436,500
\$100,100	Sonoma	\$336,000	n/a	\$325,920

Notes:

1. Limits shown on this exhibit are current as of the date of this Program Lender Agreement and are subject to change annually. Changes will be posted on CalHFA's website www.CalHFA.ca.gov
2. The maximum loan amount (as stated on page 2, First Loan Limits) is the lesser of the County Median Sales Price or the Loan Limits according to New Construction or Existing Homes and Loan To Value Ratios.